

# Fiscal 2004

## Export Forecasts for Agricultural, Fishery & Solid Wood Products

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*Since August...*

AgExport Forecast Raised \$2.5 Billion to \$59.5 Billion

AgImport Forecast Raised \$1.0 Billion to \$48.5 Billion

AgTrade Surplus Rises to \$11.0 Billion

USDA's "Outlook for U.S. Agricultural Trade"  
will be released at 4pm EST on November 25<sup>th</sup>, 2003

Prepared by Foreign Agricultural Service/USDA

# U.S. Agricultural Trade

Improved outlook for cotton & higher soybean and beef prices spearhead \$3.3-billion rise in 2004 exports; broiler meat, fruits and tree nuts also support annual gain. Surplus rises slightly to \$11.0 billion.



# Product/Country Export Projections, 2004

## Key Commodity Changes Since August

	Final FY 2003	Project 2004 Aug	Project 2004 Nov	Aug/Nov Chg	Main Reasons
Soybeans (\$Bils)	6.533	5.7	7.1	+1.4	(+) price offsets (-) vol; China
Cotton (\$Bils)	2.727	3.5	4.3	+0.8	(+) vol/price; China
Beef/pork (\$Bils)	5.178	5.1	5.5	+0.4	(+) beef prices/vol
Hort Prods (\$Bils)	11.903	12.0	12.3	+0.3	(+) tree nuts/some fruits/wine
Soybeans (mmt)	28.596	27.2	24.2	-3.0	US crop; SAmerican comp
Soymeal (mmt)	5.455	5.5	4.1	-1.4	US crop; SAmerican comp
Corn (mmt)	41.037	46.0	47.5	+1.5	US crop; Argentine comp

## Key Country Changes – FY 2003 to 2004

	Final FY 2003	Project 2004 Aug	Project 2004 Nov	03/04 Chg	Main Reasons
China (\$Bils)	3.473	Na	5.4	+1.9	cotton vol/price; soybean price
Japan (\$Bils)	8.840	Na	9.1	+0.3	soybean & beef prices
Mexico (\$Bils)	7.655	Na	8.2	+0.5	cotton/soybean/meat/hort
Canada (\$Bils)	9.115	Na	9.4	+0.3	high-value products

# Export Outlook for Grain & Feed Products

Revised FY 2004 Forecast:  \$200 Million to \$15.3 Billion

## Revised FY 2004 Forecast

### Upside Developments

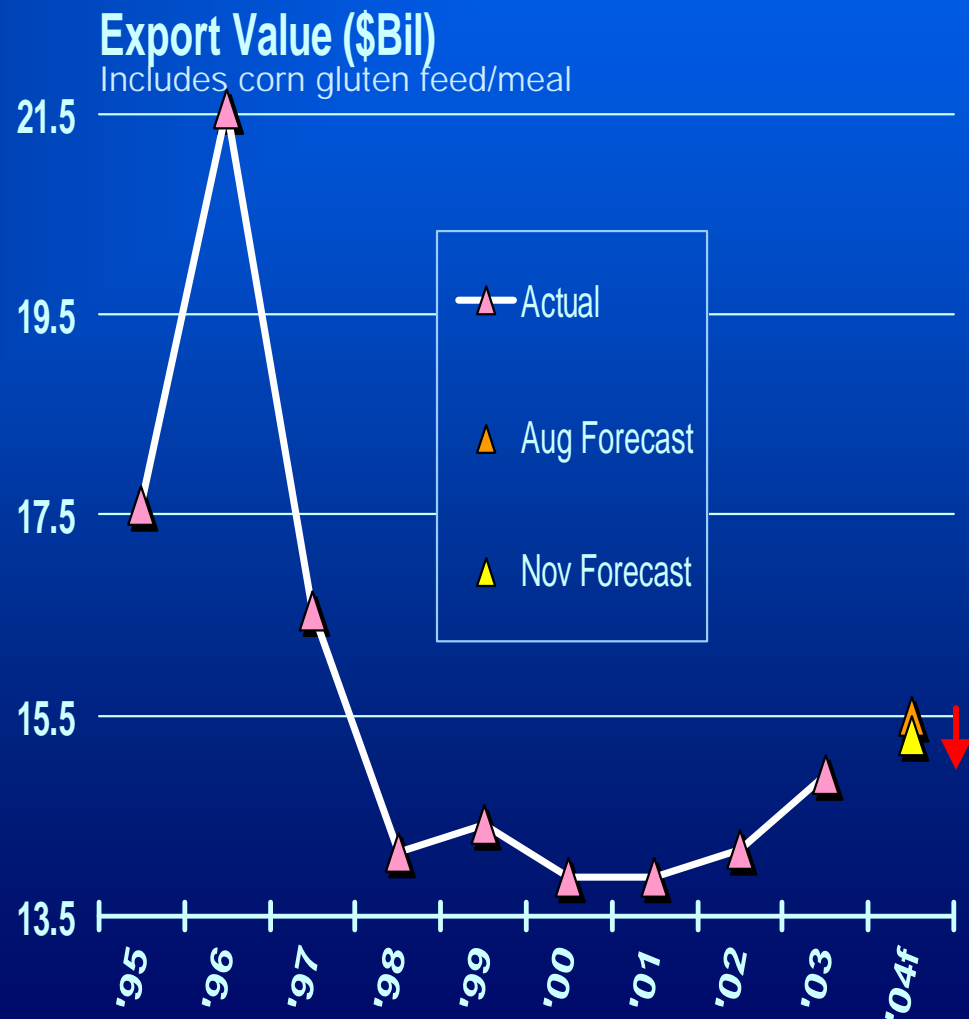
- ❑ Wheat volume up with ample US supply & poor Ukraine/Russia crops
- ❑ Corn volume up on record US production & less competition from China and Argentina
- ❑ Rice exports up on sustained strong demand in Latin America

### Downside Developments

- ❑ Wheat, corn unit values down slightly from the previous year
- ❑ Smaller sorghum crop

### Wild Cards

- ❑ Will China be a wheat importer or exporter?



# Export Outlook for Oilseeds & Products

Revised FY 2004 Forecast:  \$1.5 Billion to \$10.6 Billion

## Revised FY 2004 Forecast

### *Upside Developments*

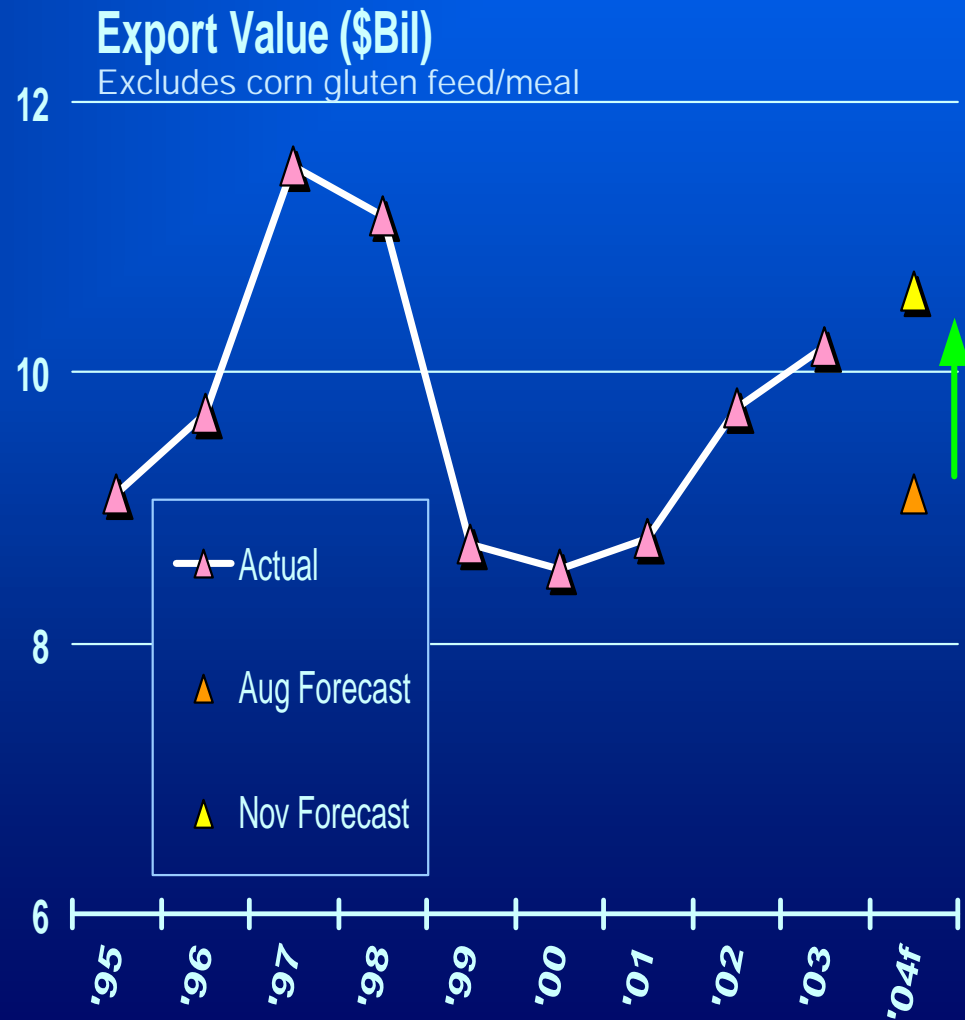
- Record China imports supports US soybean exports
- Higher soybean & product prices

### *Downside Developments*

- Smaller US crop due to low yields limits US soybean & product exports
- Higher S.American soybean production/competition

### *Wild Cards*

- Drought in Argentina
- Rust in South America
- China's imports



# Export Outlook for Cotton & Linters

Revised FY 2004 Forecast:  \$800 Million to \$4.3 Billion

## Revised FY 2004 Forecast

### *Upside Developments*

- China's production down; imports from all sources projected at a record 7 million 480-lb bales

- U.S. production up

- Prices up sharply

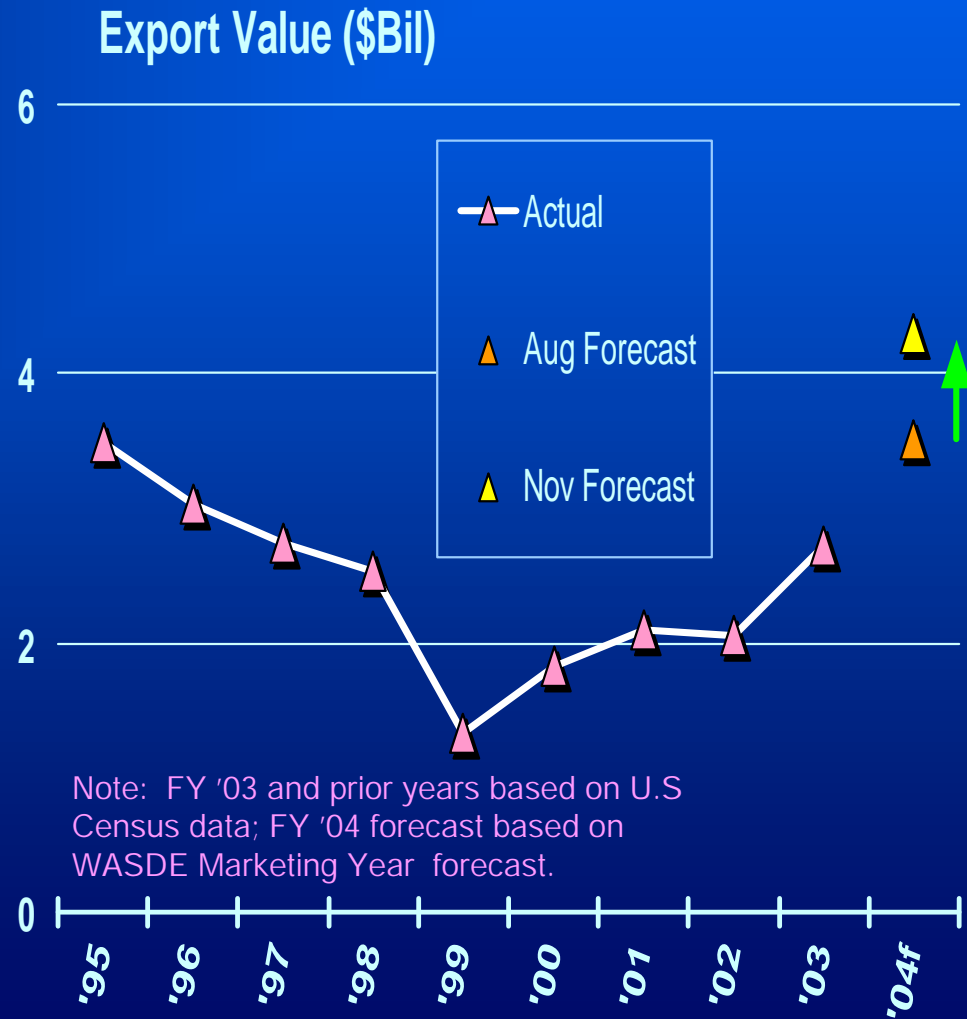
### *Downside Developments*

- Some switch to synthetics

### *Wild Cards*

- China's import policy

- China's stock estimates



# Export Outlook for Dairy, Livestock & Poultry

Revised FY 2004 Forecast:  \$400 Million to \$12.7 Billion

## Revised FY 2004 Forecast

### Upside Developments

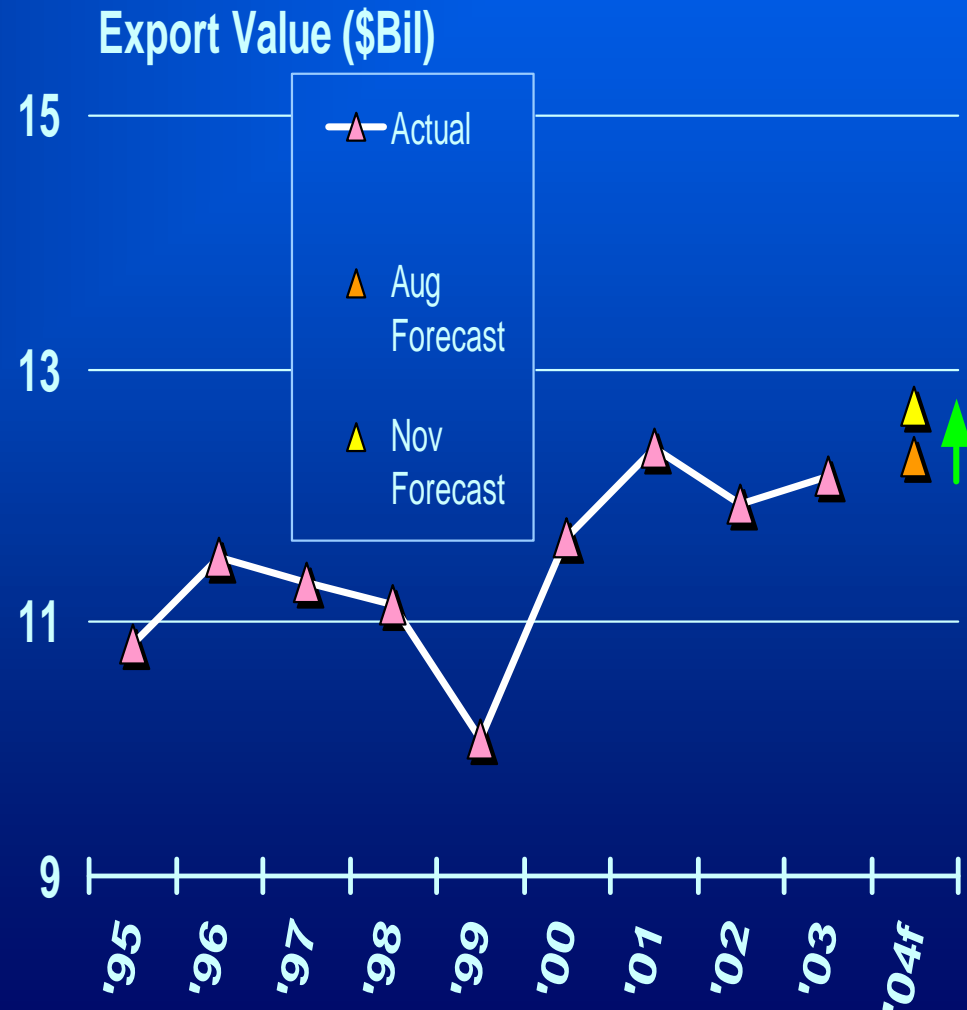
- Beef exports strengthen on higher prices & record volume
- Broiler exports expand to non-traditional markets

### Downside Developments

- Japan's safeguard on beef imports lasts until Mar 2004
- Higher feed prices raise production costs

### Wild Cards

- Mexico's pork antidumping case remains uncertain
- Russia's 2004 poultry quota allocation yet to be decided



# Export Outlook for Horticultural Products

Revised FY 2004 Forecast:  \$300 Million to \$12.3 Billion

## Revised FY 2004 Forecast

### *Upside Developments*

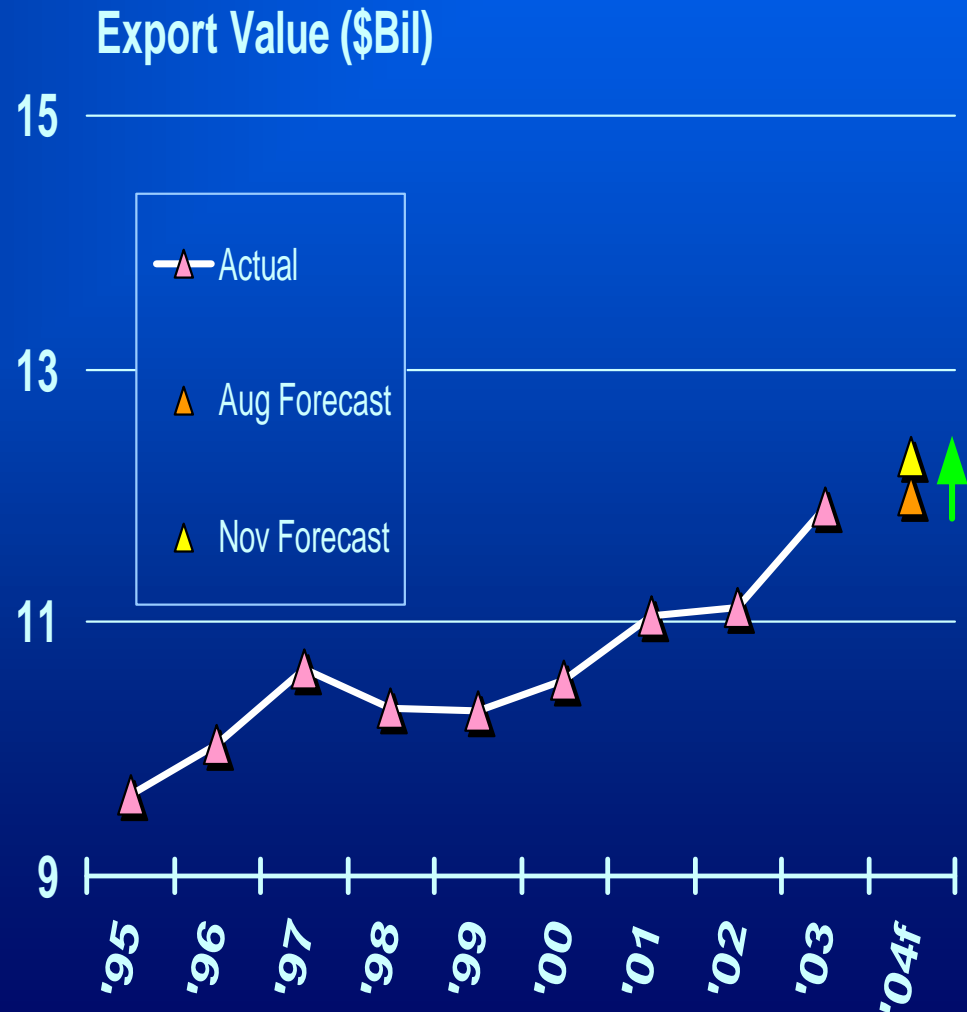
- Strong sales of berries, grapes & other minor fruits
- Adequate almond supply & record walnut crop
- Solid growth for wine & essential oils
- Mexico & Canada lead overall sales growth

### *Downside Developments*

- Overall sales to Asia remain relatively flat

### *Wild Cards*

- Size of US fruit & nut crops
- Strength of US dollar





# Export Outlook for Fishery Products

Revised FY 2004 Forecast: Unchanged at \$3.1 Billion

## Revised FY 2004 Forecast

### Upside Developments

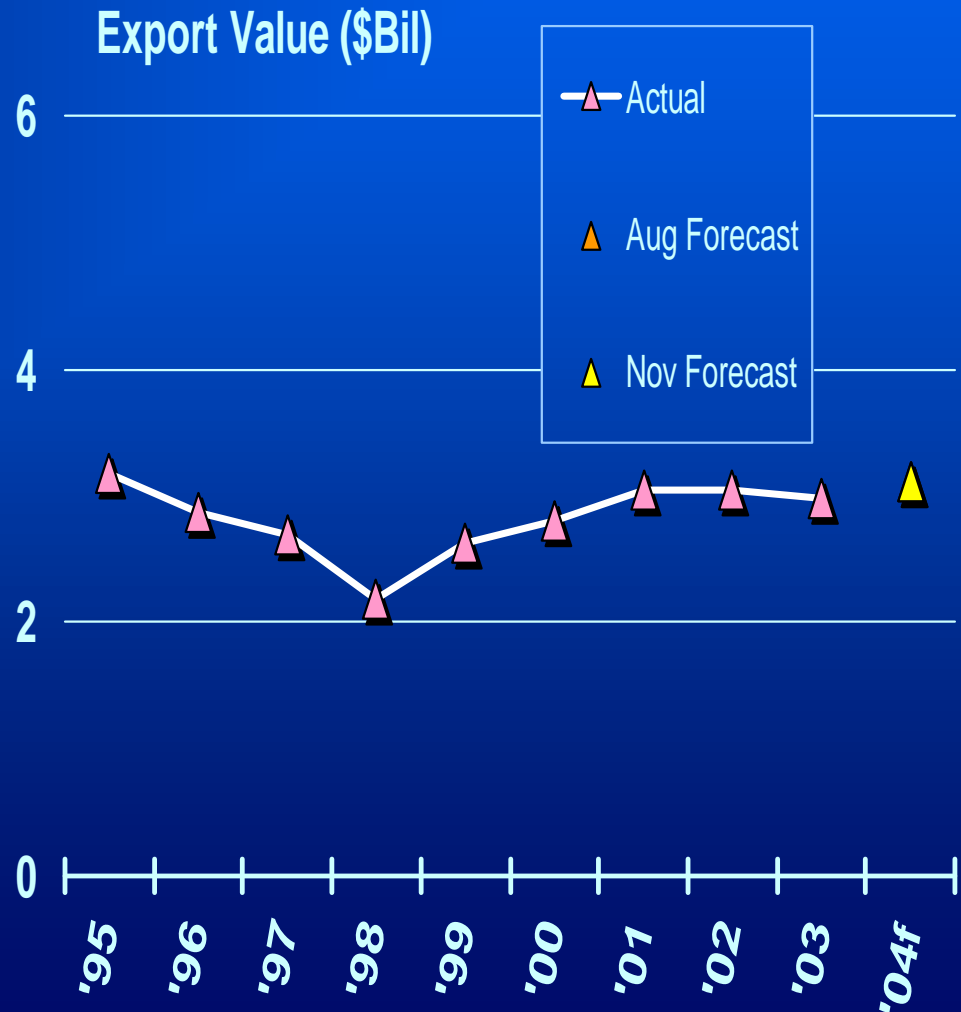
- Large supply of canned pink and sockeye (Red) salmon
- 2004 California squid harvest should improve

### Downside Developments

- Abundant supplies continue to push prices lower for catfish, shrimp, and other fishery products

### Wild Cards

- Size of U.S. harvests of lobster, salmon, and other species



# Export Outlook for Solid Wood Products

Revised FY 2004 Forecast:      Unchanged at \$5.0 Billion

## Revised FY 2004 Forecast

### Upside Developments

- Exports to Canada rising on strength of hardwood sales and favorable exchange rate
- EU furniture and interior decorators to use more U.S. hardwood veneer

### Downside Developments

- Slower export growth to China
- Softwood lumber exports continue to face increased competition in Japan and EU

### Wild Cards

- Will exports to China rebound from summer slowdown?

